

# NEWSLINE

Savings Plus Program

1st Quarter 2008

## Asset Allocation— A Tool for Volatile Times

### A time to think about major shifts

in your investment strategy is when your life changes, not when the bumpy ride on the financial market rollercoaster makes you feel uncomfortable.

For instance, over the past 12 months, the stock and bond markets have experienced greater swings in “volatility” than in previous years. You may be tempted to change your investment strategy under such conditions. However, a change in market conditions should not be the only reason to restructure your investment portfolio.

Once you develop an investment strategy, stick with it. In the long run, staying with your strategy may help you overcome the market’s inevitable bumps.

The time to think about changing your strategy is when you experience life changes: marriage, divorce, a new child, a major change to your financial condition, retirement, and the like.

Choosing an investment strategy is easier than it sounds. Start by reading the “Asset Allocation” section of the Savings Plus *Investment Guide*. It explains how to set up a portfolio that aligns your expectations for positive returns with your tolerance for risk. Though asset allocation may be considered a valuable tool under any market conditions, it does not guarantee a profit or prevent a loss in a declining market.

Next, complete the Ibbotson questionnaire. It’s in the *Investment Guide* and on our website under “Planning Tools.” Your answers to the questionnaire should lead you to an asset allocation strategy that’s right for you.

Whether we’re in a bear market or bull market, an appropriate asset allocation strategy may help you smooth out the financial market rollercoaster and feel much better at the end of the ride!

### Inside this issue:

Asset Allocation .....	1	Direct Deposit .....	4
Retirement Planning Fair .....	2	Investment Fund Update .....	4
403(b) Rollovers .....	3	Traditional IRA Rollovers.....	4
Account Fees.....	3		



# Attend a Retirement Planning Fair

**How much money will you need when you retire?**

***Come to a CalPERS-sponsored Retirement Planning Fair!***

***SPP representatives will be on hand at the following locations to answer your questions:***

## **We hear this all the time.**

Everyone has different needs and desires in retirement, but there are several questions we all must consider.

- How much will I get from my CalPERS pension?
- Will I receive Social Security income and, if so, how much?
- How will my health care costs and benefits, including Medicare, change?
- Should I change my investment strategy as part of my pre-retirement planning?
- Will my Savings Plus account generate the supplemental income I need to support my retirement lifestyle?

For answers, come to a CalPERS-sponsored Retirement Planning Fair and talk to experts from CalPERS, Savings Plus, and the Social Security Administration. Savings

Plus staff will present information on enrollment, asset allocation, and information you'll need if you're approaching retirement. We'll also explain such features as age-based "catch up," lump sum contributions, and rollovers from other employers' plans.

See the chart to the left for locations where SPP representatives will be on hand. For specific addresses, please visit our website at [www.sppforu.com](http://www.sppforu.com). A full roster of locations will also be published in the Spring edition of the CalPERS *Perspective* and on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)).

Locations	Dates	Time
CSU East Bay's Oakland Center – Oakland	Tuesday April 29	10:00–4:00
University Square – Bakersfield	Thursday May 22	10:00–4:00
Hilton Suites Anaheim – Orange	Wednesday July 16	10:00–4:00
Monterey Conference Center – Monterey	Friday July 18	10:00–4:00
Chico Area Park & Rec. District – Chico	Friday August 15	9:00 – 3:00
Sacramento Convention Center – Sacramento	Friday August 22	9:00 – 3:00
Sacramento Convention Center – Sacramento	Saturday August 23	9:00 – 3:00
Riverside County Office of Education – Riverside	Friday September 5	9:00 – 2:00
Radisson Hotel (downtown) – Fresno	Thursday September 18	10:00–4:00
CalTrans Building LA – Los Angeles	Thursday September 25	9:00 – 3:00
Humboldt Bay Aquatic Center – Eureka	Tuesday October 21	10:00–4:00
Humboldt State University – Arcata	Wednesday October 22	10:00–3:00





# Savings Plus Now Accepts 403(b) Rollovers

## If you're a current State employee and have a 403(b)

account from a previous employer, you now can roll over your money into a Savings Plus 401(k) account. Either open a 401(k) with Savings Plus or roll your money into an existing 401(k) account with us.

A 403(b) account is a tax-sheltered annuity for full-time employees in jobs involving educational services.

This option also is available if you're retired and have a Savings Plus 401(k) account with assets. Simply roll over your 403(b) assets into your existing 401(k) account.

*Current State employees that have a 403(b) account from a previous employer can now roll their money over into a Savings Plus 401(k) account!*

## Moving your 403(b) funds to a Savings Plus account has advantages.

We have low account fees. We offer several low-cost investment options, including asset allocation funds, actively managed and index funds, and a brokerage account. The "Investment Operating Expenses" chart on our Web site details the expenses associated with all Savings Plus funds.

Qualified retirement plans, deferred compensation plans, and individual retirement accounts are all different, including fees and when you can access funds. Asset rolled over from your account(s) may be subject to surrender charges and/or other fees. If you withdraw these funds from Savings Plus before age 59 ½, you may be subject to a 10% federal and 2 ½% state tax penalty.

*Visit our website for more information. You also can talk with a customer service representative, available Monday – Friday from 8:30 a.m. to 4:30 p.m. PT at 1-866-566-4777 (press \*0).*

## SPP to Reduce Fees

*Effective January 2008, we reduced our administrative fee to \$1.50 per plan per month. This new flat rate replaces the tiered fee structure, which ranged from \$2.00 to \$4.05 per month per plan*

The fee reduction saves you \$6.00 to \$30.60 annually, per plan. Because you pay lower fees, more of your money remains invested in your portfolio. Lower fees are one factor that may help your account grow over time.

You'll see the new lower fees in the "charges" section on your 1st quarter statement.

# Direct Deposit Confirmations Discontinued

**Effective April 1, 2008, we stopped sending direct deposit confirmations.**

Savings Plus stopped mailing these confirmations because they include key information that, if stolen, could lead to identity theft or other misuse.

We included a notice of this change with the direct deposit confirmation notices sent in early March.

*Savings Plus stopped mailing direct deposit confirmations because they include key information that could lead to identity theft.*

**For information regarding your payments, you can:**

1. access your Savings Plus account online, using our secure web access ([www.sppforu.com](http://www.sppforu.com)),
2. contact the call center at 1-866-566-4777, between 8:30 a.m. – 4:00 p.m. PT, and confirm payment information with a customer service representative, or
3. verify receipt of your payment with your financial institution.

*Savings Plus and Nationwide (our recordkeeper) are committed to protecting your personal financial information.*

# SPP to Accept Traditional IRA Rollovers

**Beginning this June,**

you have the option to roll over assets from a “pre-tax” Traditional IRA into your SPP 401(k) account.

To take advantage of this option, you’ll need to complete a 401(k) Thrift Rollover In form. The updated form will be available in June, either on our website or by calling (866) 566-4777 (press \* 0 for a customer service representative).

## Investment Fund Update

### FUND INVESTIGATIONS

No items to report.

### FUND MANAGER CHANGES

No manager changes to report.

### WATCHLIST

There are no funds eligible for the Watchlist this quarter.



**State of California  
Department of  
Personnel Administration  
Savings Plus Program**

1800 15th Street  
Sacramento, CA 95811-6614

### How to Reach Us

#### Hours

**Lobby:** 8:00 a.m. - 4:30 p.m.

**Phone:** 8:30 a.m. - 4:00 p.m.

**Web site:** [www.sppforu.com](http://www.sppforu.com)

**Voice Response System:**  
1-866-566-4777

**TTY:** 1-800-848-0833

**FAX:** 1-916-327-1885